

DHCD is committed to affirmatively furthering fair housing in Massachusetts, and as such, has drawn insight from various sources on current impediments to fair housing access and recommended action steps to mitigate such impediments. In this report, a variety of indicators are examined to illuminate the extent and complexity of impeded fair housing access in Massachusetts. Such indicators include: the economic (housing tenure, housing related cost burdens); the geographic (residential segregation); the socio-structural (discriminatory housing practices and the lack of, or perceived lack of, community openness to certain types of households); and the personal (awareness and exercise of fair housing rights and housing opportunities). Such indicators are often inter-related and therefore must be considered in conjunction when determining future action steps to affirmatively further fair housing. DHCD is committed to working with communities and its quasi-public partners to mitigate the identified impediments to fair housing access. Some notable findings with respect to fair housing impediments are discussed below.

#### Economic Indicators:

- Race and ethnicity are strong indicators of poverty levels in Massachusetts and all counties. In Massachusetts, 6.5% of Whites had income below the poverty level in 1999, contrasted with 16.2% of Asians, 21.2% of Black or African Americans, and 29.8% of Hispanics or Latinos. Poverty levels were highest in counties over-represented by Black or African Americans and Hispanics or Latinos in comparison to the representation of these groups in the total population. This over-representation was most notable in Suffolk and Hampden Counties.
- In Massachusetts, 33.7% of those who speak Asian and Pacific Island languages were linguistically isolated. Spanish speaking individuals were the second most likely to be linguistically isolated. In Massachusetts, 24.8% of Spanish speaking individuals were linguistically isolated. The Massachusetts Institute for a New Commonwealth and the Center for Labor Market Studies 2005 report indicates that foreign immigration status and linguistic isolation has a substantial effect on residential patterns as well as education, employment, and income. For example, immigrants were greater than three times more likely than native-born adults to lack a high school diploma, 25% of immigrant workers that arrived in the 1990s had limited English-speaking skills, and immigrants who only spoke English at home earned on average 2.5 times more than immigrants who did not speak English well.
- Although the median household income of Black or African Americans and Hispanics or Latinos in 1999 was 63.6% and 51.5% of Whites respectively, median gross rents and ownership (with mortgage) costs did not vary as substantially among these groups.

- In Massachusetts, 66.0% of Whites inhabited owner occupied units, while only 31.4% of Black or African Americans and 21.4% of Hispanics or Latinos inhabited owner occupied units. Minority homeownership generally remained lower than White homeownership rates in selected cities varying in region, wealth, and minority representation. Within selected cities over-represented by minority householders, Whites were still more likely to own homes.
- However, minority homeownership has increased over time. Pursuant to U.S. Census data, White households represented 96.3% of owner occupied units in Massachusetts in 2000, contrasted with 92.7% in 1990. In the Metro Boston area, Black or African Americans saw the most gains in homeownership in the 1990s compared to other racial (not Hispanic) groups, particularly in Boston, Brockton, and Randolph. While African American owners increased by 60% in Metro Boston, White owners only increased by 15%. Latino owners increased the most in Metro Boston at 70%.
- Larger families are more likely to have lower incomes in comparison to the HUD area median income (AMI) than smaller families. There was an inverse relationship between family size and housing opportunities, as larger families in need of larger units had less housing choice.
- In Massachusetts, 74.6% of owner occupied units contained between 3 and 5 or more bedrooms, while only 22.7% of renter occupied units contained between 3 and 5 or more bedrooms.
- Among married couple householders with children under 18 years of age in Massachusetts, 79.7% owned their homes, compared to only 31.0% of female householders with no husband present.
- Disabled individuals that rent, particularly units that are not subsidized or public housing, face similar obstacles to handicap accessibility, regardless of poverty level. Only approximately 4.5% of units occupied by renters below the poverty level, and 4.4% of units occupied by renters above the poverty level, were built after 1990 pursuant to statutory accessibility requirements (i.e., the Fair Housing Act requires compliance with design and construction accessibility requirements in multifamily dwellings with first occupancy after March 13, 1991).
- Many disabled individuals in Massachusetts have extremely low household incomes and therefore are often more financially limited in their ability to secure private housing modifications to accommodate their disabilities. Extremely low incomes were most evident in the universe of renter occupied units. According to HUD CHAS rental data, 42.6% of non-elderly and 54.3% of elderly households

with mobility and/or self-care limitations in renter occupied units had incomes less than or equal to 30% of the HUD area median family income (AMI).

**Geographic Indicators:**

- Compared to other racial/ethnic groups, the percentage of Hispanics or Latinos in Massachusetts has increased the most. With respect to householders, 4.9% of householders were classified as Hispanic or Latino. A plurality of Hispanics or Latinos lived in Suffolk County (26.5%), followed by Hampden County (16.8%). Hispanics or Latinos, as well as Asians, were most likely to have moved into a unit between 1999 and March 2000 compared to other racial/ethnic groups.
- Immigrants are more likely to live in Eastern Massachusetts than in Cape Cod, in Central Massachusetts or the Western region, exception the Springfield/Chicopee area.
- Geographical areas over-represented by Black or African Americans and Hispanics or Latinos often had higher housing cost burdens compared to other geographical areas in the state that are over-represented by Whites.
- Mobility to more “affordable” areas with less expensive housing costs is compromised when those locations have fewer services or attributes, such as public transportation, thereby effectively eroding their affordability.
- In Massachusetts, 10.3% of Whites had no vehicle available to them, compared to 19.7% of Asians and 30.1% of Black or African Americans and 31.7% of Hispanics or Latinos. Racial and ethnic minorities are also more likely to rely on public transportation as a means of transportation. While 7.0% of White workers over age 16 used public transportation to commute to work, 23.9% of Black or Africans workers over age 16 and 17.5% of Hispanics or Latino workers over age 16 did so.
- Minorities are more likely to live in areas of concentrated poverty than are Whites. In Massachusetts, over 60% of minorities live in low income census tracts and 24% live in very low income census tracts, compared to less than 18% and 2.5% of non-minority residents respectively. Moreover, Harvard Civil Rights Project found that minorities are more likely to live “severely distressed” neighborhoods, or neighborhoods characterized as having at least three of the following characteristics: female headed families with children, high shares of high school dropouts, high shares of people in poverty, and high shares of males detached from the labor force.” While only 15.9% of Whites lived in severely distressed neighborhoods, 47.7% of Blacks, 51.7% of Hispanics, and 22.2% of Asians lived in severely distressed neighborhoods.

- *However*, lower minority incomes does not offer a complete explanation for racial segregation patterns, as African American and Latino households with incomes over \$50,000 were more likely to live in high-poverty neighborhoods than White households with incomes under \$20,000.
- The Harvard Civil Rights Project also found that 80% of cities and towns in Metro Boston contain African American and Latino homebuyers under one half of their expected presence based on the homes they are able to afford. Thus, wealth disparity is not a determining factor of residential homeownership patterns amongst minorities, but instead is one of a confluence of factors.
- Minorities in state and federally subsidized public housing and rental assistance programs (particularly multi-family) tended to be more concentrated in communities that are cities and have high minority populations and poverty rates.
- Abt Associates, Inc, recently issued a report revealing the percentage of LIHTC family units outside of highly concentrated minority areas. It stated that 12.5% of LIHTC family units (for projects placed in service 1995 to 2003) in Massachusetts were in census tracts with minority percentages less than the percentage for the metropolitan area.
- As revealed by Section 8 mobility programs, some minorities have impeded success in achieving mobility beyond low income areas due to factors such as decreased Section 8 payment standards, community support, and transportation barriers.
- Mobility is particularly challenging for disabled voucher holders and applicants, as the disabled population is disproportionately extremely low income and faces substantial rental market barriers even with voucher assistance.
- Within HUD multifamily housing, integration of disabled and non-disabled households was most likely to occur with physically disabled households. However, units for the physically disabled were most likely to be concentrated by community.
- To reduce the segregation of disabled persons in Massachusetts, DHCD now administers the Community Based Housing (CBH) program, which administers loans to non-profit developers and owners that create long term integrated housing for disabled persons that are institutionalized or at risk of being institutionalized, with incomes at or below 80% of the Area Median Income.

Funding in 2006 for the CBH program was close to three million dollars. DHCD also administers state funds targeted for disabled persons, such the Facilities Consolidation Fund that finances community-based housing for clients of the Departments of Mental Health and Mental Retardation. Additionally, DHCD administers programs for disabled persons that involve mobile vouchers, such as the state funded Alternative Housing Vouchers Program (AHVP) and the federally funded Section 8 Housing Choice Voucher programs, which enable disabled persons to select housing location.

**Socio-structural Indicators:**

- Regulatory barriers impede the interests of families with children and lower income households seeking to obtain affordable housing in Massachusetts. The Pioneer-Rappaport Institute has reported that according to a 2004 survey of 101 cities and towns closest to Boston, only 17% allowed multi-family housing entirely by right (permitted use under zoning by-laws), 68% required special permits, and 16% prohibited it. Furthermore, in 2004, 68% of municipalities had no land zoned for by right multi-family housing, and 25% had no land zoned in less than 10% of their land area; 32% of municipalities had no land zoned for multi-family housing by special permit, and 35% allowed multi-family housing by special permit in less than 10% of their land area.

A variety of Massachusetts policies have reduced zoning barriers, creating more affordable housing, and promoting smart growth. For example, the Massachusetts Comprehensive Permit Law, Chapter 40B was enacted in 1969 to help address the shortage of affordable housing in Massachusetts and to encourage the production of affordable housing in all communities in the Commonwealth by reducing unnecessary barriers created by local approval processes, local zoning, and other restrictions. Thus far, Chapter 40B has produced a significant number of affordable housing units for households below 80% of the median income: approximately 43,000 units (31,000 rental units and 12,000 homeownership units) in approximately 736 developments Massachusetts. Over the past five years, 82% of new production of affordable housing in municipalities at or below the 10% threshold is attributable to Chapter 40B, and over the past three years, approximately 30% of all housing production was attributable to Chapter 40B. DHCD has developed an online "Sustainable Community Planning Toolkit" offering guidance and resources for communities to utilize in understanding Chapter 40B and in creating affordable housing plans.

- The recent passage and implementation of Chapters 40R and 40S also promise to address the shortage of affordable housing by providing communities with financial incentives and funding for increased school costs resulting from dense residential development.

- To further increase the stock of affordable housing throughout Massachusetts, DHCD currently administers various programs that provide funding for rental and ownership housing development. For example, the HOME program is a federal housing program through which DHCD typically administers funds for rental housing production and rehabilitation, first-time homebuyer housing production and first-time homebuyer development assistance. DHCD also administers the Community Development Block Grant for housing rehabilitation and housing related projects, as well as the Affordable Housing Trust Fund. DHCD provides extensive technical assistance to communities to promoting affordable housing opportunities throughout the Commonwealth.
- To promote equal access in newly developed rental and ownership housing, affirmative fair housing marketing is an important mechanism for attracting racially, ethnically, and economically diverse households to areas where they are less likely to rent or buy. As such, DHCD requires affirmative fair marketing in its housing programs and conducts technical assistance and guidance on affirmative fair marketing for communities and organizations. For example, DHCD's Local Initiative Program (LIP) provides technical assistance and oversight, including assistance on affirmative fair marketing and long-term affordability, for qualifying comprehensive permit projects and local action units. DHCD's online "Sustainable Community Planning Toolkit" provides guidance in creating lotteries and affirmative fair marketing plans.
- Homeownership poses additional concerns with respect to fair and open lending practices throughout the Commonwealth. Massachusetts Community & Banking Council reports indicate racial disparities in lending practices. In 2004, the share of home-purchase loans for Blacks was about only one-half of the Black share of households in Boston in 2004. For Latinos, their share of home-purchase loans was higher, but only 75.9% of their share of Latino households. Denial rates were higher for African Americans and Latinos compared to Whites among low income applicants, but Black/White and Latino/White denial rates were greater among applicants with *higher* income levels than lower income levels.
- Furthermore, racial and ethnic minorities that are not denied home financing are still disproportionately subjected to unfavorable lending terms. For example, in the Boston Area in 2004, the high-APR loan (HAL) share for Black or African Americans and Latinos was five to six times greater than the HAL share for Whites in home purchase lending. Even among the upper-income populations, the HAL shares for Black or African Americans and Latinos for home purchase loans was approximately eight times greater than that of Whites.

- According to the Fair Housing Center of Greater Boston, discrimination in rental and sales markets are pronounced in the Boston area. The Fair Housing Center of Greater Boston testing results revealed that at least half of African Americans, Section 8 subsidy holders, and families with children were discriminated against in their efforts to find rental housing in the greater Boston area, as were 52% of Latinos. Most recently, the Fair Housing Center of Greater Boston concluded that homebuyers of color were disadvantaged in 17 of the 36 paired sales tests, and discriminatory lending practices in the Greater Boston area were more pronounced among *higher* income applicants.
- A recent survey by the Civil Rights Project at Harvard University indicated that over half of African Americans and over 40 percent of Latinos said that people of their respective groups believe they “miss out on good housing very often” because they cannot afford it, and 85% of African Americans and 69% of Latinos said their respective groups “miss out on good housing at least some of the time” because of “fear that they will not be welcome in a particular community. Moreover, while over a third of Latinos and African Americans would be willing to move to all White neighborhoods, the majority were dissuaded because of perceived discrimination by White homeowners.”

#### Personal Awareness Indicators:

- In 2005, 82 complaints were filed with HUD: 95.1% were referred to MCAD, 2.4% remained with HUD, 1.2% were referred to BFHC, and 1.2% were referred to CHRC. The complaints were most likely to have been filed on the basis of race (Black) (32.9%) and familial status (children under 18) (32.9%), followed by color (9.8%), physical disability (6.1%), mental disability (4.9%), familial status (pregnant female) (4.9%), Hispanic origin (4.9%), and gender (female) (3.7%).
- U.S. Department of Housing and Urban Development report in February 2006 revealed that, inconsistent with published testing results, only 4% of survey respondents representing individuals in households with children perceived discrimination with familial status as the basis, contrasted with 9% of disabled persons perceiving discrimination with disability as the alleged basis, 9% of Hispanics perceiving discrimination with race/ethnicity as the alleged basis, and 22% of African Americans perceiving discrimination with race/ethnicity as the alleged basis).
- To illustrate underreporting and the extent of fair housing awareness, a recent study by HUD on national trends in public knowledge and use of fair housing laws indicated that almost two-thirds of survey respondents perceiving discrimination, with plausible bases, did not take responsive action because they

though doing so would not have been worth it or would not have helped. The remainder of survey respondents did not take action for reasons such as not knowing where/how to complain, fear of retaliation, too busy, fear of costs, and uncertainty as to whether discrimination occurred.

The Legal Framework section of this report is intended to augment awareness of fair housing rights and obligations and is followed by the Data Analysis section, which includes more detailed research findings, and the Analysis of Impediments to Fair Housing Access and Action Steps to Mitigate Impediments.